

GENERAL SERVICES ADMINISTRATION  
PUBLIC BUILDINGS SERVICE  
**SUPPLEMENTAL LEASE AGREEMENT**

SUPPLEMENTAL AGREEMENT

DATE

No. 2

MAR 2 2007  
(Page 1 of 4)

TO LEASE NO.

GS-11B-01932

ADDRESS OF PREMISES: Liberty Square  
450 Fifth Street, N.W.  
Washington, D.C., 20001

THIS AGREEMENT, made and entered into this date by and between, **JUDICIARY PLAZA LIMITED PARTNERSHIP**

Whose address is: 1233 20<sup>th</sup> Street, N.W.  
Suite 206  
Washington, D.C. 20036

Hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease.

NOW THEREFORE, these parties, for the considerations hereinafter mentioned, covenant and agree that the said Lease is amended, effective upon execution by the Government, as follows:

1. This Supplemental Lease Agreement is issued to (1) expand the leased premises and to adjust the terms applicable to certain previously leased space with a ceiling height that does not meet the requirements of the SFO, (2) to delete certain items that were required to be furnished by Lessor as part of the building shell and to provide an increase to the Tenant Improvement Allowance in place of these items, and (3) to amend General Clause No. 17 "Fire and Casualty Damage".

**EXPANSION SPACE**

2. The leased premises is hereby increased by 15,587 BRSF (yielding approximately 14,471 BOASF), consisting of 1,951 BRSF (yielding approximately 1,782 BOASF) on the C-1 level and 13,636 BRSF (yielding approximately 12,689 BOASF) on the C-2 level, as shown on the attached floor plan (the "Expansion Space"). As a result, the revised total leased premises is increased to 477,473 BRSF (yielding approximately 415,114 BOASF), and Paragraph 1 of the Standard Form 2 of the Lease is hereby amended accordingly. The Government acknowledges that the ceiling height in the Expansion Space does not meet the ceiling height requirements of the Lease and expressly waives its right to enforce such ceiling height requirements with respect to the Expansion Space. Except as otherwise set forth herein with respect to the ceiling height, rental rate and tenant improvement allowance amount, the Expansion Space shall be subject to all of the same terms and conditions as the original leased premises.

(continued on page 2)

All other terms and conditions of the lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties subscribed their names as of the above date.

LESSOR: **JUDICIARY PLAZA LIMITED PARTNERSHIP**,  
By: BROPHY PROPERTIES, INC., ITS MANAGING GENERAL PARTNER,

(b) (6)  
(Name)

President  
(Official Title)

IN THE PRESENCE OF (witnessed by)

(b) (6)  
(Signature)

1233-20th Street, NW  
Washington, DC 20036  
(Address)

**UNITED STATES OF AMERICA**

(b) (6)  
(Signature)

Contracting Officer  
(Official Title)

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3. Subsequent to execution of the original lease, the parties have determined that 2,053 BRSF (yielding approximately 1,875 BOASF) of space located on the C-1 level, which was included in the original leased premises, does not meet the minimum ceiling height required by the SFO (the "Previously Leased Low Ceiling Space"). The Government hereby accepts the existing ceiling height in the Previously Leased Low Ceiling Space, and the parties hereby agree that the Previously Leased Low Ceiling Space shall continue to be a part of the leased premises on the modified terms and conditions applicable to the Expansion Space as set forth herein.

4. The Government shall pay the Lessor annual rent attributable to the Expansion Space and the Previously Leased Low Ceiling Space in the amount of \$352,800.00 [\$20.00 per BRSF \* 17,640 BRSF]. Because the annual rent under the original Lease already includes rent attributable to the Previously Leased Low Ceiling Space in the amount of \$92,306.25 [1,875 BOASF \* \$49.23 per BOASF], the net increase in annual rent shall be \$260,493.75 [\$352,800.00 - \$92,306.25]. Accordingly, the Government shall pay the Lessor a revised total annual rent of \$19,984,148.64, payable at the rate of \$1,665,345.72 per month in arrears, and Paragraph 3 of the Standard Form 2 of the Lease is hereby amended accordingly.

5. The Lessor shall provide to the Government a Tenant Improvement Allowance attributable to the Expansion Space and the Previously Leased Low Ceiling Space in the amount of \$176,400.00 (\$10.00 per BRSF). Because the Tenant Improvement Allowance under the original Lease already includes an allowance attributable to the Previously Leased Low Ceiling Space in the amount of \$77,812.50 [1,875 BOASF \* \$41.50 per BOASF], the net increase in the Tenant Improvement Allowance shall be (b) (4). Accordingly, the Lessor shall provide to the Government a revised total Tenant Improvement Allowance in the amount of (b) (4), and Paragraph 6(B) of the Standard Form 2 of the Lease is hereby amended accordingly.

6. In accordance with Paragraph 1.13 "Broker Commission and Commission Credit" of the Lease, Studley, Inc. is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and Studley have agreed to a cooperating lease commission of (b) (4) of the lease value for the first 10 years of the firm term and (b) (4) of the lease value for years 11-15 of the firm term. The total amount of the additional commission attributable to the Expansion Space and the Previously Leased Low Ceiling Height Space, based on the net increase in annual rent throughout the lease term, is \$91,172.81. In accordance with the "Broker Commission and Commission Credit" paragraph, Studley, Inc. has agreed to forego (b) (4) of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The additional Commission Credit attributable to the Expansion Space and the Previously Leased Low Ceiling Height Space is (b) (4) and shall be paid as free rent in equal monthly installments of \$15,651.33 during the first three months of the lease. The Lessor agrees to pay Studley, Inc., 555 13<sup>th</sup> Street, N.W., Suite 420 East, Washington, DC 20004, the additional Commission less the additional Commission Credit in the lump sum amount of (b) (4) which shall be due to Studley, Inc. upon execution of this SLA by the Government and payable within 30 days of the receipt of an invoice. Accordingly, the Lessor shall pay a revised total Commission Credit as free rent in equal monthly installments of \$1,200,714.26 each during the first three months of the lease, as set forth in the schedule below, and Paragraph 6(C) of the Standard Form 2 of the Lease is hereby amended accordingly.

Notwithstanding Paragraph 3 of the Standard Form 2, as amended hereby, the shell portion of the rental payments, exclusive of that portion of rent attributable to base operating costs, due and owing under this lease shall be reduced to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

INITIALS: (b) (6) & (b) (6)

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First Month's Rental Payment \$1,665,345.72 minus prorated Commission Credit of \$1,200,714.26 equals \$464,631.46 adjusted First Month's Rent;

Second Month's Rental Payment \$1,665,345.72 minus prorated Commission Credit of \$1,200,714.26 equals \$464,631.46 adjusted First Month's Rent; and

Third Month's Rental Payment \$1,665,345.72 minus prorated Commission Credit of \$1,200,714.26 equals \$464,631.46 adjusted First Month's Rent.

7. For purposes of Paragraph 3.4(F) and 3.5 of the SFO, as of the date hereof, the Government's percentage of occupancy is 99.03%.

8. For purposes of Paragraphs 3.6 and 3.7 of the SFO, as of the date hereof, the operating cost base is [REDACTED] (b) (4) [REDACTED]

9. Pursuant to Paragraph 3.10 "Common Area Factor", the Add-On Factor is determined to be 1.150221385, calculated as follows: 477,473 BRSF / 415,114 BOASF.

10. Paragraph 6(O) of the Standard Form 2 to the Lease is hereby deleted in its entirety without replacement and shall have no further force or effect.

**BUILDING SHELL CREDIT**

11. Paragraph 6.B of Standard Form 2 of the Lease, as amended hereby, is hereby further amended to increase the amount of the Tenant Improvement Allowance by (b) (4) [REDACTED]. The increase of [REDACTED] is reflected as an increase in the Tenant Improvement Allowance for administrative purposes only. The increase shall not be amortized as additional rent and shall not affect the annual rent which shall remain as stated in Paragraph 3 of Standard Form 2 of the Lease, as amended hereby. Work paid for utilizing the additional allowance shall not be subject to any markups by either the Lessor or the Lessor's Architect. This additional Tenant Improvement Allowance is being provided by Lessor in lieu of its obligation to provide certain building shell elements as set forth below, which the parties hereby value in the amount of \$14.05 per BOASF for 405,850 BOASF or \$5,702,192.50. The parties hereby stipulate and agree that the Lessor has met its building shell requirements with respect to the remaining 9,264 BOASF located on the C-1 level consisting of the conference center, the ante room to the conference center, and the fitness center. Accordingly, this 9,264 BOASF has been excluded from the calculation of the additional Tenant Improvement Allowance.

12. Sections 1.9, 5.7, 5.9(A)(1), 5.15, 5.16, 5.18.A, 6.19, and 8.3 of the Lease are hereby amended to provide that the building shell items listed on the attached spreadsheet, titled "SLA No. 2 – Attachment No. 1," and dated 12/21/06 (hereinafter "Attachment No. 1"), shall be furnished by the Lessor at the Government's expense. The cost of the building shell items listed on Attachment No. 1 shall be paid by the Government from the Tenant Improvement Allowance and, to the extent that such costs exceed the Tenant Improvement Allowance, in a lump sum. All other building shell items not listed in Attachment No. 1 shall continue to be furnished and paid for as set forth in the Lease prior to this SLA.

INITIALS:

(b) (6)

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(b) (6)

LESSOR

GOVERNMENT

LESSOR

GOVERNMENT

**Supplemental Lease Agreement No. 2 to Lease No. GS-11B-01932****Page 4 of 4****FIRE AND CASUALTY DAMAGE**

13. General Clause No. 17 "Fire and Casualty Damage" is hereby deleted in its entirety and the following is hereby inserted in its place:

17. 552.270 7 FIRE AND CASUALTY DAMAGE (SEP 1999)

If the entire premises are destroyed by fire or other casualty, this lease will immediately terminate. In case of partial destruction or damage, so as to render the premises untenable, as determined by the Government, the Government may terminate the lease by giving written notice to the Lessor within 15 calendar days of the fire or other casualty; if so terminated, no rent will accrue to the Lessor after such partial destruction or damage; and if not so terminated, the rent will be reduced proportionately by supplemental agreement hereto effective from the date of such partial destruction or damage. Nothing in this lease shall be construed as relieving Lessor from liability for damage to or destruction of property of the United States of America caused by the willful or negligent act or omission of Lessor.

In addition to the provision set forth above, the Government agrees not to exercise its option to terminate the lease in the event of partial damage or destruction so long as Lessor is diligently prosecuting the repair and restoration, and all of the following conditions are met:

1. The partial damage or destruction is less than 25% of the Premises;
2. The remainder of the Premises are tenantable and may be used for the purpose for which they were leased;
3. Lessor can demonstrate to the Government's satisfaction that the repair or restoration of the Premises to the condition that existed immediately prior to the damage or destruction can be substantially completed and the Premises reoccupied within 365 days of the damage or destruction and without unreasonable interference to the occupancy of the remainder of the Premises; and
4. Lessor gives the Government a credit for the reasonable rent paid by the Government for substitute space in excess of the rent for the same amount of space that would have been due under this lease, and reimburses the Government for its reasonable costs to return to the leased space.



Project: Liberty Square - Revised  
Job # :  
PRELIMINARY BUDGET ESTIMATE  
DATE: December 21, 2006

Office Building Tenant Improvements - Warm Lit Shell

	Unit	Quantity	Unit Price	Amount
<b>GENERAL BUILDING FINISHES</b>				
<b>Tenant Area Finishes - warm lit shell</b>				
Acoustical Ceiling Tile - 2' x 4'				
Acoustical Ceiling Tile - 2' x 2'				
Drywall partition type 3				
Drywall column enclosures - 4 sided				
Drywall shaft wall				
Drywall bulkhead				
Painted drywall				
Vinyl wallcovering at lobby and corridors				
Vinyl base for perimeter and core wall & column covers				
Carpet - elevator lobby and corridors				
<b>MECHANICAL SYSTEM</b>				
<b>HVAC</b>				
Tenant ceiling flex & diffusers downstream from main branch				
<b>SPRINKLER</b>				
Sprinkler tenant ceiling distribution & turn down heads				
<b>ELECTRICAL SYSTEM</b>				
PureFX Light fixtures (1 per 80 sf)				
Fire Alarm Strobes and System Programming				
Exit Lights				
<b>TOTAL WARM LIT SHELL</b>				

INITIALS:

(b) (6)

Lessor

&

(b) (6)

Government